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October 25, 2022

*Via ECF*

Hon. Vernon S. Broderick  
United States District Judge  
Southern District of New York  
40 Foley Square  
New York, NY 10007

*Re: Barnes v. Block, et al., 22 Civ. 7236 (VSB)(RWL)*

Your Honor:

On behalf of Defendants Carson Block and Muddy Waters, LLC (collectively, “Defendants”), we write in response to Plaintiff’s October 25, 2022 letter requesting an extension of the briefing schedule for Defendants’ Motion to Dismiss. *See* ECF No. 17.

Plaintiff’s letter is long on invective and short on substance. In their two-page letter, Plaintiff’s counsel gives *no* specific reason, let alone good cause, for the requested extension, as required by Your Honor’s Individual Rules of Practice. *See* Indiv. Practices in Civ. Cases, 1(G).

In stark contrast, as Defendants have repeatedly explained to Plaintiff, Defendants oppose an extension to combat Plaintiff’s gamesmanship and forum shopping tactics. Plaintiff’s claims in this case are premature. Plaintiff argues Defendants have been unjustly enriched by a whistleblower award from the SEC, yet he knows Defendants have not received any whistleblower award from the SEC and may never receive any whistleblower award from the SEC. While the SEC determined Defendants are entitled to a whistleblower award, Plaintiff has appealed that determination and asked the United States Court of Appeals for the Third Circuit to reverse it. Plaintiff’s appeal is currently pending. Defendants’ receipt of any whistleblower award is entirely contingent on the outcome in the Third Circuit.

Defendants explained all of this to Plaintiff in an October 3, 2022 letter and asked Plaintiff to withdraw his unripe claims. Plaintiff refused. Instead, Plaintiff suggested a stay of his unripe claims and asked for Defendants consent. Defendants objected to a stay, reiterating to

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Plaintiff that he has no basis to maintain unripe claims against Defendants, stay or no stay. When Defendants told Plaintiff they intended to move to dismiss the case, Plaintiff responded that he intended to cross-move for a stay.

There is a method to Plaintiff's madness. While he is asserting unripe claims in this Court and trying to preserve them by seeking a stay, Plaintiff is simultaneously seeking a dismissal of Mr. Block's defamation case in the United States District Court for the Western District of Texas, arguing that Mr. Block's claims in that case should be brought as counterclaims in this case. He apparently hopes a stay can keep this case alive so he can force Mr. Block, a Texas resident, to litigate his claims against Plaintiff in New York, a state in which none of the parties is domiciled.

To foreclose Plaintiff's gambit, Defendants have a strong interest in having their meritorious motion to dismiss adjudicated as soon as possible. Instead of grappling with Defendants' real concerns, all of which Defendants' counsel has relayed to Plaintiff's counsel, Plaintiff's counsel accuses Defendants' counsel of discourteousness, while failing to offer any reason for needing additional time to respond to a standard, 25-page Motion to Dismiss.

Accordingly, Defendants respectfully request the Court maintain the briefing set forth in the Local Rules whereby Plaintiff's opposition is due on November 1, 2022 and Defendants' reply is due on November 8, 2022.

Respectfully submitted,

/s/

Andrew G. Celli, Jr.  
Samuel Shapiro  
Sana Mayat

*Attorneys for Defendants*

\*Ms. Mayat is admitted to practice law in New York. Her application for admission to the United States District Court for the Southern District of New York is forthcoming.

cc. All Counsel of Record (by ECF)